

Missouri Department of Economic Development

Small Business Incubator

2007 Performance Report



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Executive Summary

STATUTORY AUTHORITY

620.495, RSMo, as amended

PURPOSE

The purpose of this program is to generate private funds to be used to establish a “protective business environment” (incubator) in which a number of small businesses can collectively operate, fostering growth and development during a business start-up period.

PROGRAM DESCRIPTION

An incubator is a building, which can be divided into smaller units of space to be leased by small businesses. An incubator is also a program without infrastructure in which participants avail themselves of business development services to assist in the growth of their start-up businesses.

In addition to the space, incubators provide business development services for use by the tenants and participants. These services shall include, but are not limited to, financial consulting assistance, management and marketing assistance, business education, and physical services such as personal computers, copier, facsimile, conference rooms, labs, etc. Because of the shared services and efficient use of the available space, costs are usually much less than for a small business operating independently.

The incubator is not intended to be a permanent home for the new firm. After a period determined by the incubator’s policy, a tenant will move from the incubator, thereby making room available in the incubator for a new start-up firm.

The Missouri Department of Economic Development approves (“certifies”) or denies proposals for small business incubators based on the ability of the incubator to meet statutory requirements of the program; the economic impact of the incubator on the community; conformance with area-wide and local economic development plans; and location of the incubator, in order to encourage geographic distribution of incubators across the state. Certified incubators may receive contributions from taxpayers. The taxpayers in turn may receive tax credits in the amount of 50% of the contributions. The tax credits can be carried forward for five years and also be sold or transferred. The overall maximum amount of tax credits that can be authorized in any one calendar year is \$500,000.

ECONOMIC IMPACT

Tax credits issued through the Small Business Incubator Program from the program's inception through December 31, 2007, total \$2.9 million, which attracted contributions totaling **\$5.8 million**.

PROGRAM STATISTICS

Most tenants are originally from Missouri. However, four tenants were attracted from other states, primarily to CET and NIDUS, which are biological-medical technologies and plant-life sciences incubators, respectively. These tenants chose CET and NIDUS due to their unique locations and affiliations with major research institutions, hospitals and universities located in the St. Louis region. Most graduates decided to stay in Missouri because of the founders' and workforce's residency. However, the graduates that relocated to other states identified the reasons for such decision as inability to raise additional funding or acquisition by another company. The information regarding the number of jobs, payroll and investment of graduate companies is not complete because most incubators do not track such data and thus are unable to provide it. Nine out of the thirteen incubators reported, three did not report at all and one incubator location was closed, and consolidated into what is now Life Sciences.

Small Business Incubators submit Budget of Revenues and Expenditures at the end of the calendar year, and we determine the division of tax credits for the new year from this report. The following is a listing of the Incubators that received, listed by year of approval.

Table 1 "Applications Rec'd/Approved through December 31, 2007"

Year	Applications Rec'd	Applications Approved	Name
1990	1	1	OZARK
1991	0	0	
1992	1	1	MITF
1993	2	2	SBSC, StLEC
1994	0	0	
1995	1	1	MIC
1996	0	0	
1997	1	1	BEU
1998	2	2	MIC, THEC.
1999	0	0	
2000	1	1	CET
2001	1	1	CET
2002	1	1	StLEC
2003	3	3	CET, NIDUS, TEC
2004	4	4	CET, LSBIC, JNB TIC, TEC
2005	5	5	CET, JNB TIC, LSBIC, SMIC, TEC
2006	6	6	CET, JNB TIC, LSBIC, SBSC, SMIC, TEC
2007	5	5	CET, JNB TIC, LSBIC, SMIC, TEC
Total	34	34	

Table 2 “Performance Statistics – FY 2007”
(See Exhibit 1 for detail by incubator)

Data Description	Total for all Incubators
# Incubators Created	13
#Incubators Inactive/Closed	4
#Incubators Active	8
#Incubators Under construction	1
Average occupancy rate 2006	67%
Focus	Bio-Med., R&D, Mfg, IT/ Com, Plant & Life Sci, Mixed
State origin current/previous tenants	MO, NY, VA/CA, PA/NJ/FL, IL
# Tenants	96
# Tenants/Incubator jobs	585
\$ Tenants/Incubator payroll	\$18,934,573.00
\$ Tenants/incubator spending	N/A
Tenants average length in years	2.80 yrs
# Failed	49
Failed average length in years	1.07 yrs
# Missouri graduates	171
# Missouri graduates jobs	1152
# Missouri graduates still in business	115 reported
Missouri graduates average length in years	3.02 yrs
\$ Missouri graduates payroll	N/A
\$ Missouri graduates spending	N/A
# Other graduates	16
Other graduates average length in years	2.96 yrs
States moved to	CA, CO, NJ, IL, KY, SC, TX, WA, WI

Missouri Certified Incubators



Missouri Certified Incubators Contact Information List

1. Black Economic Union/Economic Growth Group (BEU)

not active

Sponsor: Black Economic Union/Economic Growth Group

Contact person: Chester Thompson

1601 E. 18th

Kansas City, MO 64108

Phone: (816) 474-1080

Fax: (816) 474-5805

E-mail: chestert@beukc.org

Website: www.beukc.org

2. Center for Emerging Technologies (CET)

Sponsor: Center for Emerging Technologies

Contact person: Barbara Enneking

4041 Forest Park Avenue

St. Louis, MO 63108-3213

Phone: (314) 615-6900

Fax: (314) 615-6901

E-mail: benneking@emergingtech.org

Website: www.emergingtech.org

3. Joseph Newman Business and Technology Innovation Center (JNB TIC)

Sponsor: Joplin Area Chamber of Commerce Foundation

Contact person: Steve Russell

320 E. 4th

St. Joplin, MO 64801

Phone: (417) 624-4150

Fax: (417) 624-4303

E-mail: rsrussell@joplin.com

Website:

4. Life Sciences Business Incubation Center (LSBIC)

Sponsor: Missouri Innovation Center

Contact person: Quinten Messbarger

410 S. 6th St., 214 Engineering Bldg. North

Columbia, MO 65201

Phone: (573) 884-0492

Fax: (573) 884-3600

E-mail: messbargerq@missouri.edu

Website: <http://www.ourincubator.com>

5. Missouri Innovation Center (MIC) – not active incubator *

Sponsor: Missouri Innovation Center

Contact: Kim March

410 S. 6th St., 214 Engineering Bldg. North

Columbia, MO 65201

Phone: (573) 884-0496

Fax: (573) 884-3600

E-mail: marchk@missouri.edu

Website:

*Still active as an innovation center.

6. Missouri IncuTech Foundation (MITF)

(DBA Missouri Enterprise Business Assistance Center)

Sponsor: Missouri Enterprise

Contact Person: Rick Prugh

800 University Drive

Rolla, MO 65401-2157

Phone: (573) 341-0117

Fax: (573) 341-0135

E-mail: rprugh@missourienterprise.org

Website: www.missourienterprise.org

Incubator decertified August 2007

7. Nidus Center for Scientific Enterprise (NIDUS)

Sponsor: Monsanto Corporation

Contact person: Susan Pais

893 North Warson Road

St. Louis, MO 63141

Phone: (314) 812-8001

Fax: (314) 812-8080

E-mail: susan.e.pais@niduscenter.com

Website: www.niduscenter.com

8. Ozark Foothills Development Association (OZARK)

Sponsor: Ozark Foothills Regional Planning Commission

Contact person: Greg Batson

3019 Fair Street

Poplar Bluff, MO 63901

Phone: (573) 785-6402

Fax: (573) 686-5467

E-mail: greg@ofrpc.org

Website: www.ofrpc.com/incubator.html

9. Small Business Synergy Center (SBSC)

Sponsor: Small Business Synergy Center

Contact person: Greig Frahm

5988 Mid Rivers Mall Drive

St. Charles, MO 63304

Phone: (636) 441-6880

Fax: (636) 441-6881

E-mail: cfrahm@edcstcharlescounty.com

Website: www.stcc-edc.com/index.php3

10. Southeast Missouri Innovation Center (SMIC)

Sponsor: Missouri Research Corporation

Contact: Mangels, Kathy

One University Plaza, MS 3300

Cape Girardeau, MO 63701

Phone: (573) 651-2570

Fax: (573) 651-5061

E-mail: kmangels@semo.edu

Website:

11. St. Louis Enterprise Center-Wellston (StLEC)

Sponsor: St. Louis County Economic Council

Contact person: Jan A. DeYoung

6439 Plymouty Ave.

Wellston, MO 63133

Phone: (314) 615-7621

Fax: (314) 615-7666

E-mail: jdeyoung@stlouisco.com

Website: www.slcec.com

12. Technology Entrepreneur Center (TEC)

Sponsor: Technology Entrepreneur Center

Contact person: Francis Chmelir

210 N. Tucker, Suite 600

St. Louis, MO 63101

Phone: (314) 436-3500

Fax: (314) 333-0409

E-mail: fchmelir@tecstl.org

Website: www.tecstl.org

13. Thomas Hill Enterprise Center (THEC) - not active

Sponsor: Thomas Hill Enterprise Center

Macon, MO

Exhibit 1 "Performance Statistics - FY 2007 "

Incubators		Black Economic Union (BEU)	Center for Emerging Technologies (CET)	Joseph Newman Business and Technology Innovation Center (JNETIC)	Life Sciences Business Incubator Center (LSBIC)	Missouri Innovation Center (MIC)	Missouri IncuTech Foundation (MITF)	Nklus Center for Scientific Enterprise (NIDUS)	Ozark Foothills Development Association (OZARK)	Small Business Synergy Center (SBSC)	Southeast Missouri Innovation Center (SMIC)	St. Louis Enterprise Center (SLEEC) (Wellston)	Technology Entrepreneur Center (TEC)	Thomas Hill Enterprise Center (THEC)	Averages	TOTAL
Data Description		1997	1983	2004	2004	1995	1991	2003	1990	1992	2005	1990	2003	1997		
Year Certified																
Occupancy Rate			65%		0%			85%	100%	85%	16%	100%	70%		67%	
Focus			Bio-Med	IT, Bio-Tech	R & D			R&D	Mfg	R&D	Mfg, R&D	Mixed	IT			
Number of Units			55	12				44	6	79	n/a	17	13			
# Tenants			12	9				9	5	41	4	11	5			96
# Tenants/Incubator Jobs			105	61				72 lf/5 pt	25	233	4	69	16			513
\$ Tenants/Incubator Payroll			\$ 13,978,551	\$ 2,990,000				N/A	\$ 635,000	n/a	\$ 83,465	\$ 757,557	\$ 490,000			\$ 18,934,573.00
\$ Tenants/Incubator Spending			N/A	N/A				N/A	N/A	N/A	N/A	N/A	N/A			0
Tenants Ave. Length, yrs.			4.5	1				3.8	3.4	3.07	1	N/A	N/A		2.80	19,565
# Failed			2	1				3	5	38	0	0	0			49
Failed Ave. Length, yrs.			2	N/A				2.6	1	0.8	N/A	N/A	N/A		1.07	7.47
# MO Grads			5	1				3	12	114	N/A	1	1			137
# MO Grad Jobs			N/A	18				26	59	1020	N/A	17	12			1152
# MO Grads still in Business			5	1				20	12	77	N/A	N/A	N/A			115
MO Grads Ave. Length, yrs.			7.7					2.4	1.5	1.5	N/A	N/A	2		3.02	18.12
\$ MO Grad Payroll			N/A	\$ 800,000				N/A	N/A	N/A	N/A	N/A	\$ 875,000			\$ 1,675,000.00
\$ MO Grad Spending			N/A					N/A	N/A	N/A	N/A	N/A	N/A			0
# Other Grads			5	1				4	N/A	6	N/A	N/A	N/A			16
Other Grads Ave. Length, yrs.			7.7	1				1	N/A	2.12	N/A	N/A	N/A		2.96	
No report					Under Constr.	Not active as Incubator.	Decertified August 2007							No report / Not active		

N/A = data not available

Exhibit 2 "Annual Tax Credits Authorized per Incubator in Calendar Years"

Incubators Years	Black Economic Union (BEU)	Center for Emerging Technologies (CET)	Joseph Newman Business and Technology Innovation Center (JNBTC)	Life Sciences Business Incubator Center (LSBIC)	Missouri Innovation Center (MIC)	Missouri Incutech Foundation (MITF)	Nidus Center for Scientific Enterprise (NIDUS)	Ozark Foothills Development Association (OZARK)	Small Business Synergy Center (SBSC)	Southeast Missouri Innovation Center (SMIC)	St. Louis Enterprise Center (SILEC)	Technology Entrepreneur Center (TEC)	Thomas Hill Enterprise Center (THEC)	TOTAL
Year Certified	1997	1998	2004	2004	1995	1991	2003	1990	1992	2005	1990	2003	1997	
Calendar Year 1990								\$ 2,500.00						\$ 2,500.00
Calendar Year 1991														\$ -
Calendar Year 1992						\$ 319,858.24		\$ -						\$ 319,858.24
Calendar Year 1993								\$ -	\$ 207,875.00		\$ 312,500.00			\$ 520,375.00
Calendar Year 1994								\$ -						\$ -
Calendar Year 1995					\$ 17,899.00	\$ -		\$ -			\$ -			\$ 17,899.00
Calendar Year 1996					\$ -	\$ -		\$ -						\$ -
Calendar Year 1997	\$ 87,500.00				\$ -	\$ -		\$ -						\$ 87,500.00
Calendar Year 1998					\$ 17,101.00	\$ -		\$ -			\$ -		\$ 101,950.00	\$ 119,051.00
Calendar Year 1999						\$ -		\$ -			\$ -			\$ -
Calendar Year 2000		\$ 200,000.00			\$ -	\$ -		\$ -						\$ 200,000.00
Calendar Year 2001	\$ -	\$ 150,000.00			\$ -	\$ -		\$ -			\$ -		\$ -	\$ 150,000.00
Calendar Year 2002	\$ -				\$ -	\$ -		\$ -			\$ 50,000.00		\$ -	\$ 50,000.00
Calendar Year 2003	\$ -	\$ 253,851.77			\$ -	\$ -	\$ 36,512.00	\$ -	\$ -		\$ -	\$ 100,000.00	\$ -	\$ 390,363.77
Calendar Year 2004	\$ -	\$ 125,000.00	\$ 100,000.00	\$ 175,000.00	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ 100,000.00	\$ -	\$ 500,000.00
Calendar Year 2005	\$ -	\$ 77,000.00	\$ 71,408.00	\$ 121,421.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,500.00	\$ -	\$ 108,671.00	\$ -	\$ 500,000.00
Calendar Year 2006		\$ 13,950.00	\$ 47,353.70	\$ 253,500.00				\$ -	\$ 13,200.00	\$ 16,750.00		\$ 110,850.00		\$ 455,603.70
Calendar Year 2007		\$ 65,340.00	\$ 64,956.00	\$ 250,000.00						\$ 19,704.00		\$ 100,000.00		\$ 500,000.00
TOTAL	\$ 87,500.00	\$ 885,141.77	\$ 283,717.70	\$ 799,921.00	\$ 35,000.00	\$ 319,858.24	\$ 36,512.00	\$ 2,500.00	\$ 221,075.00	\$ 157,954.00	\$ 362,500.00	\$ 519,521.00	\$ 101,950.00	\$ 3,813,150.71
						Decertified August 2007								